



QUARTERLY STATEMENT
AS OF June 30, 2007
OF THE CONDITION AND AFFAIRS OF THE
AMERIGROUP Tennessee, Inc.

NAIC Group Code 1156 (Current Period) 1156 (Prior Period) NAIC Company Code 12941 Employer's ID Number 20-4776597

Organized under the Laws of Tennessee State of Domicile or Port of Entry Tennessee

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[] Property/Casualty[] Hospital, Medical & Dental Service or Indemnity[]
Dental Service Corporation[] Vision Service Corporation[] Health Maintenance Organization[X]
Other[] Is HMO Federally Qualified? Yes[] No[X] N/A[]

Incorporated/Organized 04/26/2006 Commenced Business 04/01/2007

Statutory Home Office 22 Century Boulevard, Ste 310 (Street and Number) Nashville, TN 37214 (City, or Town, State and Zip Code)

Main Administrative Office 4425 Corporation Lane (Street and Number) Virginia Beach, VA (City or Town, State and Zip Code) (757)473-2737-32721 (Area Code) (Telephone Number)

Mail Address 4425 Corporation Lane (Street and Number or P.O. Box) Virginia Beach, VA 23462 (City, or Town, State and Zip Code)

Primary Location of Books and Records 4425 Corporation Lane (Street and Number) Virginia Beach, VA 23462 (City, or Town, State and Zip Code) (757)473-2737-32721 (Area Code) (Telephone Number)

Internet Website Address www.amerigroupcorp.com

Statutory Statement Contact Margaret Mary Roomsburg (Name) (757)473-2737-32721 (Area Code)(Telephone Number)(Extension)
mroomsb@amerigroupcorp.com (E-Mail Address) (757)557-6742 (Fax Number)

Policyowner Relations Contact 4425 Corporation Lane (Street and Number) Virginia Beach, VA 23462 (City, or Town, State and Zip Code) (757)473-2737-32721 (Area Code) (Telephone Number)(Extension)

OFFICERS

Name	Title	
Charles Brian Shipp	CEO/President	#
Lorena Jean Stanley	COO/Vice President	#
Stanley Forrest Baldwin	Secretary/Vice President	#
Nicholas Joseph Pace, II	Asst Secretary/Vice President	#
James Ward Truess	Treasurer/Vice President	#
Scott Wayne Anglin	Asst Treasurer/Vice President	#
Karen Lint Shields	Asst Treasurer/Vice President	#
Carol Ann Churchill, M.D.	Medical Director/Vice President	#

OTHERS

Catherine Smith Callahan, Vice President # Margaret Mary Roomsburg, Vice President #
Lori-Don McNamee Gregory, Asst Secretary # William Gardner Wood, M.D., Vice President #

DIRECTORS OR TRUSTEES

Charles Brian Shipp # Stanley Forrest Baldwin #
Nicholas Joseph Pace, II #

State of Virginia
County of Virginia Beach ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Charles Brian Shipp
(Signature)
Charles Brian Shipp
(Printed Name)
1.
President/CEO
(Title)

Stanley Forrest Baldwin
(Signature)
Stanley Forrest Baldwin
(Printed Name)
2.
Vice President/Secretary
(Title)

Margaret Mary Roomsburg
(Signature)
Margaret Mary Roomsburg
(Printed Name)
3.
Vice President
(Title)

Subscribed and sworn to before me this 23rd day of October, 2007
STATE OF TENNESSEE
DAVIDSON COUNTY, TENN.
NOTARY PUBLIC
My Commission Expires JAN. 23, 2010



NANCY M. NEWSOM
NOTARY PUBLIC
Commonwealth of Virginia
My Commission Expires April 30, 2009
#191631

a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[] No[X]
1
10/29/2007
7

Amended Statement Cover

1. Accrued Taxes of \$2,545,374 originally reported on General expenses due or accrued (Q3 - Liabilities, Capital and Surplus, Line 9, Column 1) was moved to Aggregate write-ins for other liabilities (Q3 - Liabilities, Capital and Surplus, Line 21, Column 1) per instructions of the Department of Commerce and Insurance.
2. Reinsurance Expense of \$825,538 originally netted against Net premium income (Q4 – Statement of Revenue and Expenses, Line 2, Column 2) was moved to Net reinsurance recoveries (Q4 – Statement of Revenue and Expenses, Line 17, Column 2) per the request of the Department of Commerce and Insurance.
3. Medicaid Claims Incurred During the Year (Q9 – Underwriting and Investment Exhibit, Line 7, Column 2) was changed to \$62,191,801 from \$61,366,263 to reflect the change in Reinsurance Recoveries (No.2 above).
4. Premiums collected net of reinsurance (Q6 – Cash Flow, Line 1, Column 1) was recalculated to \$114,581,857 from \$113,756,319 reflecting the movement of Reinsurance Expense to Net reinsurance recoveries. Please see No.2 above.
5. Benefit and loss related payments (Q6 – Cash Flow, Line, 5, Column 1) were recalculated to \$62,191,801 from \$61,366,263 to reflect the movement of Reinsurance Expense to Net reinsurance recoveries. Please see No.2 above.
6. Amount Paid for Provision of Health Care Services (Q7 – Exhibit of Premiums, Enrollment and Utilization, Line 17, Column 9) was adjusted to \$61,373,108 from \$60,547,571 to reflect the movement of Reinsurance Expense to Net reinsurance recoveries. Please see No.2 above.
7. Investments held physically in the reporting entity's offices, vaults or safety deposit boxes, excluding items in Schedule E (Q11.1 – General Interrogatories, No. 17) should be "No" and (Q11.1 – General Interrogatories, No. 17.1) regarding Custodians should be left blank.

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	59,859,421		59,859,421	
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	1,454,298		1,454,298	
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued				
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	4,131,849		4,131,849	261,411
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans				
21.	Aggregate write-ins for other liabilities (including \$.....2,545,374 current)	2,545,374		2,545,374	
22.	Total liabilities (Lines 1 to 21)	67,990,942		67,990,942	261,411
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	1,000	
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	24,720,871	
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	(11,305,721)	(261,411)
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	13,416,150	(261,411)
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	81,407,092	
DETAILS OF WRITE-INS					
2101.	Accrued Taxes	2,545,374		2,545,374	
2102.	.....			
2103.	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	2,545,374		2,545,374	
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	543,675	
2.	Net premium income (including \$.....0 non-health premium income)	X X X	127,311,654	
3.	Change in unearned premium reserves and reserves for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	127,311,654	
Hospital and Medical:				
9.	Hospital/medical benefits		100,848,850	
10.	Other professional services		1,086,344	
11.	Outside referrals			
12.	Emergency room and out-of-area		15,956,290	
13.	Prescription drugs			
14.	Aggregate write-ins for other hospital and medical		2,515,507	
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		120,406,991	
Less:				
17.	Net reinsurance recoveries		(825,538)	
18.	Total hospital and medical (Lines 16 minus 17)		121,232,529	
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....2,869,581 cost containment expenses		3,295,414	
21.	General administrative expenses		13,302,871	
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		137,830,814	
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(10,519,160)	
25.	Net investment income earned		900,759	
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains or (losses) (Lines 25 plus 26)		900,759	
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(9,618,401)	
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	(9,618,401)	
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Home Health Care, DME, Transportation, Etc.		2,515,507	
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		2,515,507	
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)			

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	114,581,857	
2.	Net investment income	825,800	
3.	Miscellaneous income		
4.	Total (Lines 1 to 3)	115,407,657	
5.	Benefit and loss related payments	62,191,801	
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	12,492,418	
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	74,684,219	
11.	Net cash from operations (Line 4 minus Line 10)	40,723,438	
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	10,676,946	
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	10,676,946	
14.	Net increase (or decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(10,676,946)	
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	21,701,000	
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(42,121)	
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	21,658,879	
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	51,705,371	
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year		
19.2	End of period (Line 18 plus Line 19.1)	51,705,371	

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

Description		Amount 1	Amount 2
20.0001	Contibution made in July 2007 by the Parent Co. (AMERIGROUP Corporation) to be in compliance with net worth ...	3,000,000	

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year										
2. First Quarter										
3. Second Quarter	182,201								182,201	
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	543,675								543,675	
Total Member Ambulatory Encounters for Period:										
7. Physician	185,847								185,847	
8. Non-Physician	135,318								135,318	
9. Total	321,165								321,165	
10. Hospital Patient Days Incurred	35,135								35,135	
11. Number of Inpatient Admissions	4,857								4,857	
12. Health Premiums Written (a)	127,311,654								127,311,654	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	127,311,654								127,311,654	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	61,373,108								61,373,108	
18. Amount Incurred for Provision of Health Care Services	120,406,991								120,406,991	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.0.

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec.31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid		62,191,801		59,859,421		
8. Other health						
9. Health subtotal (Lines 1 to 8)		62,191,801		59,859,421		
10. Healthcare receivables (a)		818,693				
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals		61,373,108		59,859,421		

(a) Excludes \$.0000002,041,000 loans or advances to providers not yet expensed.

GENERAL INTERROGATORIES (Continued)

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21	Bonds		
15.22	Preferred Stock		
15.23	Common Stock		
15.24	Short-Term Investments		
15.25	Mortgages Loans on Real Estate		
15.26	All Other		
15.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)		
15.28	Total Investment in Parent included in Lines 15.21 to 15.26 above		

16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]

16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[] No[X]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes[] No[X]

17.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[]

18.2 If no, list exceptions:

AMERIGROUP Tennessee, Inc.
STATEMENT OF ACTUARIAL OPINION – JUNE 30, 2007

I, John C. Lloyd, a member of the American Academy of Actuaries, am a Principal with the firm of Reden & Anders, which has been retained by AMERIGROUP Tennessee, Inc. (Company) to render this opinion. I meet the Academy qualification standards for rendering the opinion and am familiar with the valuation requirements applicable to life and health insurance companies.

I have examined the actuarial assumptions and actuarial methods used in determining reserves and related actuarial items listed below, as shown in the annual statement of the Company, as prepared for filing with state regulatory officials, as of June 30, 2007. Tabulated below are those reserves and related actuarial items.

Claims unpaid (less \$ reinsurance ceded) (Page 3, Line 1)	\$59,859,421
Accrued medical incentive pool and bonus payments (Page 3, Line 2)	\$ 0
Unpaid claims adjustment expenses (Page 3, Line 3)	\$ 1,454,298
Aggregate health policy reserves (Page 3, Line 4)	\$ 0
Aggregate health claim reserves (Page 3, Line 7)	\$ 0

In forming my opinion on the reserves above, I relied upon data prepared by Margaret Roomsburg, Chief Accounting Officer, as certified in the attached statements. I evaluated that data for reasonableness and consistency. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

My review covered the effect on reserves of incentive contracts with service providers and potential provider insolvencies. My review included consideration of the potential impact on reserves of contractual arrangements between the Company and service providers. Based on that review and the opinion provided by the Company regarding the separate amounts included to cover potential performance default by at-risk providers, I believe the amounts shown above appropriately recognize the financial impact of contracts between service providers and the Company and the financial strength of at-risk providers.

In my opinion the reserves and related actuarial values concerning the statement items identified above:

- (a) Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated, in accordance with sound actuarial principles;
- (b) Are based on actuarial assumptions that produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions;
- (c) Meet the requirements of the Insurance Law and regulation of the state of Tennessee; and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed;

AMERIGROUP Tennessee, Inc.
STATEMENT OF ACTUARIAL OPINION - 2007
(Continued)

- (d) Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements;
- (e) Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- (f) Include provision for all actuarial reserves and related statement items which ought to be established.

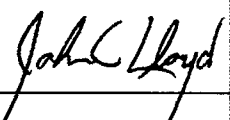
The reserves and related items, when considered in light of the assets held by the company with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on the assets, and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the company.

The Underwriting and Investment Exhibit – Part 2B was prepared consistent with “*Section 3.6, Follow-Up Studies*” contained in Actuarial Standard of Practice No. 5, *Incurred Health and Disability Claims* which was adopted by the Actuarial Standards Board in December 2000 (Effective May 1, 2001).

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

This opinion is updated quarterly as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion which should be considered in reviewing this opinion.

The impact of the unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion.



John C. Lloyd
Principal, Reden & Anders – Atlanta
Fellow, Society of Actuaries
Member, American Academy of Actuaries

Reden & Anders
2170 Satellite Blvd, Suite 150
Atlanta, GA 30097
(678) 417-4906

October 26, 2007

AMERIGROUP[®]

C O R P O R A T I O N

Representation Concerning Matters Pertaining to Examination of Statutory Actuarial Items

To: Reden & Anders

FROM: AMERIGROUP Tennessee, Inc.

In connection with your examination of the unpaid claim liability to be included in the statutory annual statement of AMERIGROUP Tennessee, Inc. (Company) as of June 30, 2007, I represent that to the best of my knowledge and belief:

1. All information which would affect the actuarial items examined has been given to you;
2. Basic records, listings, summaries and other information furnished to you, and underlying the calculation of the actuarial items identified below, are accurate and complete; and
3. No methods or procedures employed by the Company, now or in the past, would preclude the accurate determination of the actuarial items examined.
4. At-risk providers are in a financial position to meet all liabilities under any incentive contracts with payers.

I understand that you have relied on these items to perform your analysis and have not audited the accuracy or completeness of these items.

With respect to assets and liabilities of AMERIGROUP Tennessee, Inc. as of June 30, 2007, I represent that to the best of my knowledge and belief, the statutory statement, together with related exhibits, schedules and explanation therein contained, annexed or referred to, is a complete and fair statement of all the assets and liabilities and the condition of affairs of the Company as of June 30, 2007.

Signed

Name

Title

Date

Address

Phone Number

Margaret M. Roomsburg
Margaret M. Roomsburg
SVP and Chief Accounting Officer
October 25, 2007
4425 Corporation Lane, Virginia Beach, VA 23462
(757) 473-2721